

## Message Text

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13

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /055 W

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R 170435Z AUG 76

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 4615

INFO AMCONSUL ADANA

AMCONSUL ISTANBUL

AMCONSUL IZMIR

LIMITED OFFICIAL USE ANKARA 6296

E.O. 11652: N/A

TAGS: EFIN, EAL, TU

SUBJECT: \$150 MILLION EURO-LOAN MADE TO TURKISH INVESTMENT BANK

REF: ANKARA 4206

1. \$150 MILLION FIVE-YEAR EURO-LOAN, WITH MAJOR AMERICAN BANK PARTICIPATION, WAS SIGNED IN ANKARA AUGUST 13 IN FAVOR OF TURKISH STATE DEVELOPMENT BANK. AMERICAN MANAGERS WERE CHASE MANHATTAN, CHEMICAL BANK, CITICORP INTERNATIONAL GROUP, MANUFACTURERS HANOVER LIMITED, WITH MORGAN GUARANTEE AS AGENT. THESE FIVE AMERICAN BANKS PUT UP \$25 MILLION EACH. ABOUT 15 OTHER FOREIGN BANKS, INCLUDING IRVING TRUST, PARTICIPATED TOGETHER IN THE ADDITIONAL \$25 MILLION.

2. TERMS PROVIDE TWO-YEAR GRACE PERIOD WITH REPAYMENT TO BE MADE IN EQUAL SEMI-ANNUAL INSTALLMENTS. RATE IS ONE AND THREE-FOURTHS PERCENT OVER LIBOR (LONDON INTERBANK OFFERED RATE FOR 6-MONTH DESPOSITS). REPAYMENT IS GUARANTEED BY REPUBLIC OF TURKEY.

3. MONEY IS EARMARKED FOR RELENDING TO STATE ECONOMIC ENTERPRISES FOR SPECIFIC PRODUCTION PROJECTS IN PETROCHEMICALS, UREA,  
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ORE-CONCENTRATION, SUGAR, ELECTRICAL EQUIPMENT, AND LIGNITE MINING.

4. COMMENT. IRVING TRUST REPRESENTATIVE HERE FOR SIGNING CONFIRMED TO ECON COUNSELOR THAT TURKS HAD ORIGINALLY SOUGHT TO BORROW \$200 MILLION. FAILURE TO RAISE THAT AMOUNT STEMMED NOT ONLY FROM SOME CONCERN OVER LARGE TURKISH FOREIGN PAYMENTS DEFICIT BUT FROM FACT THAT TURKEY IS NOT WELL KNOWN ON CREDIT MARKETS, HAVING MADE LITTLE EFFORT TO PUBLICIZE ITSELF.

5. CITIBANK REPRESENTATIVE IN ISTANBUL COMMENTED THAT PRICING, ALL FEES CONSIDERED, WAS NO HIGHER THIS YEAR THAN COST OF FIVE-YEAR \$150 MILLION EUROLOAN OF AUGUST 22, 1975, TO BORU HATLARI ILE PETROL TASIMA A.S. (BOTAS) SIGNED AUGUST 22, 1975. BOTAS RATE WAS LIBOR PLUS 1.50 PERCENT.  
MACOMBER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, BANK LOANS, FOREIGN EXCHANGE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 AUG 1976  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Status:** NATIVE  
**Subject:** \$150 MILLION EURO-LOAN MADE TO TURKISH INVESTMENT BANK  
**TAGS:** EFIN, EALR, TU  
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